



*Governor's Office of Planning and Budget
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Utah Advisory Council on Intergovernmental Relations

*Commissioner Carol Page, Chair
Representative James Gowans, First Vice Chair
Ken Bassett, Vernal City Manager, Second Vice Chair*

*Mark Bedel, Executive Director
Ray Milliner, Assistant Director
Jamie Jensen, Secretary*

MINUTES December 17, 1999 10:00 a.m. to 12:00 p.m. State Capitol, Room 223

Members Present:

Mayor Chesley Christensen, Mt. Pleasant City
Representative Chad Bennion
Ann Wilcox Hardy, Citizen Appointee
Commissioner Carol Page, Davis County
Robert Haywood, Dept. of Human Services
Representative Jim Gowans, First Vice Chair
John Quick, Dept. of Transportation
Commissioner Patrick Cone, Summit County
Commissioner Gary Herbert, Utah County
Commissioner Chad Johnson, Beaver County
Kathleen Clarke, Dept. of Natural Resources

Absent:

Richard Bradford, DCED

Visitors:

Russ Cowley, Six County AOG
John Williams, Five County AOG
Bill Howell, Southeastern AOG
Roger Jones, Bear River AOG
Will Jefferies, WFRS
Brad Barber, GOPB
Natalie Gochnour, GOPB
Michael Crane, GOPB
Scott Truman, Utah Rural Development Council
Kimberly Schappert, Grand County Council
Bret Hosler, City of Blanding
Paul Barton, Beaver County
Jack DeMann, Governor's Office
Kent Bishop, GOPB
Wilf Sommerkorn

I. Welcome

II. Census 2000 Presentation - Lisa Hillman, Governor's Liaison for Census 2000

Lisa Hillman gave a presentation and provided handouts on Census 2000 in the State of Utah. The U.S. Constitution requires an enumeration of the population every ten years for the purpose of apportionment in the U.S. House of Representatives. This is called the Decennial Census. The Census will be conducted in Utah, with local Census offices in Salt Lake City, Ogden, and American Fork. About 3,000 temporary employees will be hired in Utah. Most of the population will receive a form that is mailed or hand-delivered to an address. There are short and long forms. Five out of six housing units will receive a short form with just seven questions while a long form with 52 questions will go to the remainder.

A complete and accurate count in 2000 will ensure that the State of Utah and its cities and counties receive their share of federal and state funds, which will amount to hundreds of millions of dollars over the next ten years.

For more information about Census 2000, please see www.governor.state.ut.us/dea. If you have additional questions, please call the State Data Center (801-538-1036).

III. Legislation for 2000 General Session:

- Review of Bill Requests and UACIR assignments for tracking**

- Gary Herbert, Utah Association of County Issues**

- David J. Spatafore, Utah League of Cities and Towns Legislative Lobbyist**

Mark Bedel distributed a Bill Tracking handout to the Council. He explained that five subcommittees consisting of Council members will be set up to track legislation. Assignments will be made to the Council when more bills have text and are numbered. Chairperson Page asked the Council to review the bills on the handout so that they are more prepared to choose which bills to help track.

Note: Bill Requests can be found on the Utah Legislature's Web Site at:
<http://www.le.state.ut.us/billfilelists/listslist.asp>.

Gary Herbert discussed Association of Counties' Issues. He mentioned that one ongoing concern of UAC is reimbursement for jail incarcerations. Counties are required to house state prisoners in county jails. The state statute authorizes the state to give full reimbursement to the counties, but it has never been appropriated. Another

away. The first new tool issue is Marda Dillree's Transportation Corridor Preservation Act. ULCT supports this and thinks that it is a good idea to take a look at state and county municipal roads 25 years in the future and where they are going to be needed. The second new tool is sales tax for critical lands. This is an issue that municipalities will be looking at very closely. ULCT will be asking the Legislature to put on the 2000 ballot a voter approval for 1/8 percent sales tax to be used to protect critical lands. Cities want to protect the quality of life at the local level. This is a way to protect wildlife, open space, and wetlands. There is a need for parks. This is a way to let the voters choose whether or not to support this. The third issue or new tool is to give the funding back to the AOGs.

ULCT has concerns about tools that are being taken away. Some of these include Senator Stephenson's bill to eliminate education funding as well as his Truth in Taxation – Judgement Levy bill. Senator Poulton's bill to increase property taxes is another bill that ULCT is concerned about. Dave also discussed several other issues; pay back to local governments for costs of Olympic facilities, justice court residency, sales tax exemptions, and partisan municipal elections.

IV. Approval of Minutes — November 12, 1999

Mayor Christensen moved to approve the November 12, 1999 Minutes. Chad Bennion seconded the motion. The motion passed and the minutes stand approved.

V. Internet Taxation and other Issues — Rich McKeown, Governor Leavitt's Chief of Staff

Rich McKeown, Governor Leavitt's Chief of Staff announced that Governor Leavitt was not able to attend the meeting due to an emergency in Fillmore. Apparently two highway patrol officers were shot in Fillmore this morning, and Governor Leavitt will be dealing with that.

Rich discussed Internet taxation and commerce issues. He said that one thing we confront with the Internet is that we have seen the first iteration, but we have not yet seen the subsequent generations on this epic idea. Those companies that are already on the Internet have paved the way for a new way to do commerce. During the 1999 Christmas Season, according to numbers that Rich has received, the commerce on the Internet will be ten times higher than perceived, and that is a conservative estimate according to others doing research. By the time the 2000 Christmas Season comes, people will be converting, in large measure, to electronic commerce. This does not mean that retail will evaporate, however, one economist said that half of Main Street will be gone by 2010.

One Walmart representative stated, “People are motivated to the Internet because in many transactions, those who sell are not required to collect the sales tax.” He continued by saying that Walmart understands what is going to happen. They are spending millions of dollars to create an on-line store.

A use tax was passed in 1937 in Utah because people were leaving the state to purchase items to avoid paying tax. The Use Tax stated that if you purchase an item in a jurisdiction where the tax is not collected, you still owe the tax. Where do you pay it? Last year line 23 of the Utah State Income Tax Return had a line where you self accrue that tax and pay it. Less than one-half of one percent of the state’s population filled out that line in 1998. It is the obligation of businesses to collect the tax. However, it doesn’t matter whether the business collects the tax or not, YOU STILL OWE THE TAX. This is nothing new or different. In order to require a business to collect tax, they must have physical presence in the state. Just because these business are not required to collect the tax, “you still owe the tax”. This is a difficult tax to collect.

The Internet issue is best understood if you understand the different players’ perspectives in this. If you were Walmart, you would like everybody to participate in the tax collection because you have physical presence everywhere. If you are Amazon, you would like not to have to collect the taxes. An interesting thing is happening. Even Amazon is beginning to create nexus in more and more jurisdictions. Rich and the Governor have spoken many times about this and they believe that over the next three to five years, there will be a collision. This collision will be between the big retailers and the “dot com” companies.

The big retailers are finally stepping forward and are saying that they want a fair playing field. Tax should be fair and simple. States are simplifying the tax structure. The issue for the states is a level playing field, not revenue.

VI. Report from Brochure Subcommittee

The Brochure Subcommittee reported their progress on the brochure since the last UACIR meeting. Pat Cone shared new ideas with the Council. Some of the ideas included adding the UACIR mission statement to the front of the brochure and adding the UACIR website to all pages of the brochure. Other ideas included putting members of the Council in one list that is not separated by jurisdiction, adding fancy graphics to enhance the look of the brochure, and distribution list ideas. The subcommittee also talked to the Council about adding a federal representative to the UACIR, and about shortening the UACIR website. Mark Bedel will work to shorten the website address.

VII. Report from Towing Issues Subcommittee

Kent Bishop gave the Council a towing survey update. Of the 800 surveys that were sent out, nearly 200 have been sent back. This was merely an update since surveys are still slowly coming in. One of the most often mentioned issues in the surveys was the impound of vehicles.

Kent proposed that no towing legislation be written this year. Although there were a lot of good ideas that came from the survey, there was not enough information to make a recommendation. Kent asked the Council for time to plan and make a substantial packet for next year's Legislative Session.

VIII. Review Recommendations for Vacant Municipal Position

The Utah League of Cities and Towns submitted the following names for the Council's consideration for appointment to the UACIR:

Mayor Janice Auger	Taylorsville City
Mayor Henry Dickamore	South Weber City
Council Member Joe Piccolo	Price City

Chairperson Page asked the Council for a motion concerning the order that these names should be submitted to the Governor. Ann Hardy made the motion:

To submit the names in the following order to the Governor:

<i>Mayor Janice Auger</i>	<i>Taylorsville City</i>
<i>Council Member Joe Piccolo</i>	<i>Price City</i>
<i>Henry Dickamore</i>	<i>South Weber City</i>

Mayor Christensen seconded the motion. After some discussion among the Council, the motion was voted on and passed.

IX. Elect Officers for 2000

Gary Herbert made a motion:

That Chad Johnson be a new UACIR officer and serve as Second Vice Chair, that Ken Bassett move from Second Vice Chair to First Vice Chair, and that Representative Gowans move from First Vice Chair to Chair for the year 2000.

Kathleen Clarke seconded the motion. The motion passed.

X. Review Calendar for 2000

A draft 2000 UACIR Meeting Calendar was distributed to the Council. To avoid Legislative on-site visits, one change was made to the draft calendar. The September meeting was changed from the fourth Friday, September 22nd to the fifth Friday, September 29th. A final copy of the calendar will be distributed at the next meeting.

XI. Other Business

Ray Milliner has accepted a job at the Park City Planning Office and will be leaving the Office of Planning and Budget. Ray has been serving as UACIR Assistant Director and has been a lot of help to Mark and to the Council. All expressed their thanks and appreciation to Ray for his hard work.

Gary Herbert made a motion for the Council to thank Carol Page for her leadership as Chair to the UACIR. Pat Cone seconded the motion. The motion passed.

If anyone has suggestions for future agenda items, please contact Mark Bedel at 801-538-1571.

The UACIR website address is <http://governor.state.ut.us/uacir>.

If you are unable to attend UACIR meetings and would like handouts, they are available by calling Jamie Jensen at 538-1566. Minutes and agendas can be found on the UACIR website.

The next UACIR meeting will be on January 14, 2000. The meeting will be held in room 223 of the State Capitol from 10:00am to 12:00pm.

Meeting Adjourned